

**Memorandum for the Commercial Properties Committee of
the Hong Kong Housing Authority**

**Year-end Performance Review of
the 2023/24 Programme of Activities for Commercial Properties**

PURPOSE

This paper presents the year-end performance review of the 2023/24 Programme of Activities for Commercial Properties (PoA) for Members' information.

BACKGROUND

2. In December 2022, Members approved the PoA vide Paper No. CPC 20/2022. This paper reports the year-end performance review of the PoA up to end March 2024.

PERFORMANCE REVIEW**(a) Key Activities**

3. The year-end progress of the Key Activities (KAs) is detailed at **Annex A**. As summarised in the table below, all the KAs were on schedule/on-going.

No. of KAs		
Committed	Position as at end March 2024 ^{Note}	
	Action Completed	On Schedule/On-going
4	-	4

Note The implementation progress of the KAs is determined as follows –

- “Action Completed” denotes KAs with all performance goals achieved.
- “On Schedule/On-going” denotes KAs with performance goals being pursued on schedule or on an on-going basis. This category also covers KAs with part of their performance goals achieved.

4. During the year, we continued to identify asset enhancement opportunities through feasibility studies and Strengths-Weaknesses-Opportunities-Threats (SWOT) analyses. Projects of retail and car parking facilities earmarked under the five-year rolling programme were implemented as scheduled. The improvement works in Yau Lai Shopping Centre was completed while those for Mei Tin Shopping Centre, Upper Ngau Tau Kok Estate, Shui Pin Wai Estate, Choi Wan (II) Estate, Shek Yam (East) Estate as well as Tung Wui Estate were in good progress. Also, the retail facilities in Lung Poon Court and Cheung Sha Wan Estate were earmarked for further studies under the asset enhancement programme. The Department will assess the effectiveness of completed asset enhancement projects in terms of financial returns and payback periods after completion of the improvement works, with a view to ensuring the optimal utilisation of resources. In May 2023, the Department reported the effectiveness of two asset enhancement projects, including the major improvement works conducted at Pok Hong Market and the creation of additional spaces for Choi Ying Place. Both projects were completed in 2022.

5. To optimise the use of resources, we continued to explore ways to optimise the use of non-domestic premises and other spaces, including conversion to domestic or other uses. As at end March 2024, three domestic units converted from recovered Mutual Aid Committee (MAC) offices had been successfully let out. Additionally, the Hong Kong Housing Authority (HA) has also leased suitable non-domestic premises (including recovered MAC offices) to some 40 non-profit-making organisations engaged by the Environmental Protection Department for setting up mini-recycling stores. Moreover, HA has set aside some recovered MAC offices for letting to the District Services and Community Care Teams (Care Teams) at concessionary rent for welfare premises, with the Home Affairs Department responsible for administering the allocation. Up to present, a total of about 280 ex-MAC offices were let to Care Teams.

6. Furthermore, the Department continued to implement various measures aimed at maximising the usage of HA's car parking facilities, including re-designation of surplus parking spaces for a particular type of vehicles to other types of vehicle in demand, conversion of surplus monthly parking spaces for hourly parking to meet the demand, adopting floating parking system in some carparks with hourly parking to enable the sale of more monthly tickets and letting surplus parking spaces to non-residents upon obtaining necessary permissions, etc. Through the implementation of such measures coupled with the increasing demand for parking spaces, the overall occupancy rate of HA's parking spaces remained at a high level of around 98% as at the end of March 2024.

7. In response to the keen demand for car parking spaces, the Department has been seeking opportunities for creating additional parking spaces in HA's existing car parks subject to technical feasibility and necessary approvals. As at the end of March 2024, a total of 327 additional parking spaces had been created in 39 public housing estates by making use of open spaces, realignment of parking spaces, re-designation of spaces for the parking of other types of vehicles, etc. We would continue to implement various measures to maximise the usage of HA's car parking facilities as well as seek opportunities to add more car parking spaces to meet the demand. To improve cost effectiveness and user-friendliness, automation and electronic payment system have been implemented in most of the car parks. We also launched in September 2023 the e-application and e-ballot services for application of monthly parking spaces in HA's car parks which is time saving, without locality constraints and would enhance transparency of the balloting process.

8. During the year, we continued to adopt a flexible marketing and leasing strategy in the management of HA's retail facilities to ensure an effective response to the ever-changing market trends and customer expectations with a view to providing more shopping choices and variety of services to the residents and local community. For new retail facilities such as Kai Chuen Shopping Centre, we proactively devised strategic leasing plans well in advance, aiming to prioritise core businesses in the trade mix to address the essential needs of local residents upon intake.

9. To enable convenient internet access in HA's shopping centres, we continued to provide free Wi-Fi services to the public in our shopping centres and major retail facilities.

10. In line with the Government's measures to support enterprises and to relieve the financial burden of people, HA had implemented multiple rounds of rent concessions for its eligible retail and factory tenants. During the year, 75% rent concession was provided from 1 April to 30 June 2023. From 1 July to 31 December 2023, the concession amount was adjusted to 50%. For prudent use of HA's resources, the grant of rent concession for supermarkets/superstores, convenience stores, personal stores and fresh/chilled/frozen food stores was subject to tenants' application and production of proof of sales drop. To sum up, rent concession was provided for a period of 51 months, with the concession amount reaching 75% for most of the time during the period from 1 October 2019 to 31 December 2023. The total rent foregone for rent concessions granted by HA was around \$5,220 million.

11. Although the Hong Kong economy staged a recovery in the aftermath of the pandemic, retail sentiment remained weak amidst the uncertain economic outlook. The vacancy rate for retail premises (shops) as at the end of March 2024 was 3.2% against the Key Performance Indicator (KPI) of below 2.5%. The higher vacancy rate was mainly due to the changing shopping habits of local residents with the growing popularity of online purchase and “going north” for consumption. The latest position of vacancy rate of HA’s retail facilities and the relevant improvement measures had been reported to the Legislative Council at its open meeting and the meeting of the Panel on Housing on 29 May 2024 and 3 June 2024 respectively, and relevant meeting papers had been circulated to Commercial Properties Committee (CPC) Members for information by email on 3 June 2024. Besides, due to the reduction in rental income as a result of the rent concession measures, the operating expenditure as a percentage of income (including depreciation and rates) stood at 66.4% as at the end of March 2024, against the KPI of below 60%.

12. To sustain the popularity and attractiveness of Domain, HA’s flagship shopping centre and as a regional mall, we continued our efforts in improving its trade and tenant mix through proactive strategies in tenancy renewal and well-planned leasing initiatives. To offer more dining choices, a Korean BBQ restaurant was replaced by a renowned Taiwanese restaurant in October 2023. In addition, a new shop offering variety of preserved food, confectionery and groceries was introduced in August 2023 further enhancing Domain’s trade mix. In order to bring a refreshed look to Domain and enhance its popularity, we transformed the food court into a food zone namely “Deli@Domain”, with five new food and beverage outlets and one retail shop. In March 2024, the Letting Panel endorsed the introduction of two popular restaurants, including a Shabu Shabu and Sukiyaki specialty store, and a sushi chained restaurant which is Japan’s first kaiten (revolving lane) sushi brand from Osaka, at Deli@Domain. These renowned restaurants would be appealing to youngsters and young families. They would help attract patronage from a wider catchment population and improve the marketability of other shops in Domain. The design of these new restaurants would also align with the trendy and chic image of Domain.

13. To support the Government’s 2023 Consumption Voucher Scheme, the Department introduced Cash Coupon Redemption Programmes at Domain to stimulate customer spending. These promotions successfully increased sales and footfall. In January 2024, E-coupon redemption was launched in the Domain Club Mobile Application to reward loyal members and encourage spending. Around 70 shop tenants have joined the scheme, which has been well received by merchants and club members.

14. To celebrate the Mid-Autumn Festival and the National Day 2023, and to complement the “Night Vibes Hong Kong” campaign initiated by the Government, the Department organised themed events at Domain, including a music show, night markets, busking and gift redemption activities. Shop tenants also participated by offering promotion discounts. The series of promotional events, coupled with extensive publicity through various press and social media platforms, successfully attracted media and public attention, reinforced Domain’s positioning as a regional shopping mall and sustained its popularity, attractiveness and competitiveness. In addition, the Domain Club Mobile Application, launched in August 2021, significantly enhanced customer loyalty. As of March 2024, the number of Domain Club members reached approximately 65 500, showing a significant year-on-year increase of 27.2%.

15. For other HA’s shopping centres, the Department had also arranged promotional activities and festive decorations during major festivals to enhance the shopping ambience and boost sales. In 2023/24, 1 972 hours of promotion activities were held in 32 major shopping centres, whilst decoration packages for 42 shopping centres and major retail facilities were provided during major festivals.

16. Throughout the year, we continued to collaborate with various non-governmental organisations (NGOs), government departments and institutions to hold civic, cultural and community building events or activities in Domain and other shopping centres. Some notable events that took place during the year include “Smart Countryside Exhibition”, “Smart City Exhibition”, “Kwun Tong Police District Anti-Fraud Awareness Programme”, “Energy Saving at Home” , “Heep Hong Society Charity Raffle 2023”, “Golden Adventures Kick-off Ceremony”, Ceremony for “Energy Saving and Decarbonisation for All 2023”, “Slope Safety Parent-child Carnival” , “Our Neighbourhoods @Kwun Tong”, “2023 District Council Ordinary Election Exhibition” and “14th "Quit to Win" Smoke-free Community Campaign”.

17. On environmental protection, we continued to implement green measures in the operation of HA’s retail facilities. To support energy saving, we continued to arrange some of our shopping centres to join Energy Saving Charter and Charter on External Lighting. Moreover, to show our support in food waste reduction, we invited tenants of our 19 shopping centres/markets to join the Government’s Food Waste Collection Pilot Scheme for daily separation and collection of food waste, which was transported to the Organic Resources Recovery Centre in Siu Ho Wan for recycling. Tenants of restaurants, supermarkets and market stalls were also encouraged to participate in food donation schemes organised by various NGOs. Besides, we continued to

encourage our shop tenants to implement green measures in their daily operation by signing up the “Hong Kong Green Shop Alliance” for 20 of our shopping centres. Furthermore, we launched the “Plastic-Free” promotional programme in 11 shopping centres. A total of about 13 300 sets of plastic tableware were saved during the promotion period.

18. In complement with the Government’s initiative to promote wider use of electric vehicles (EVs), HA has been actively providing EV charging facilities in its car parks since 2011. In collaboration with power companies, EV charging facilities had been installed at hourly private car (PC) parking spaces in some HA’s existing car parks. Continuation of a nominal licence fee of \$1 per annum has been approved for these EV charging facilities for 2024 and market licence fee will be imposed upon commencement of imposing EV charging fees by utility companies for these charging facilities.

19. Since 2013, HA has been providing EV charging facilities in the car parks of new public housing developments in accordance with the Hong Kong Planning Standards and Guidelines. Currently, all the PC, motorcycle and light goods vehicle parking spaces in new car parks would be provided with medium chargers and two quick chargers would be installed at hourly PC parking spaces for new car parks with not less than 100 parking spaces.

20. In May 2022, Members endorsed the Department’s plan to expand the provision of EV charging facilities in HA’s existing car parks progressively by phases in support of Government’s long-term policy objectives and plans to promote the adoption of EVs in Hong Kong. The Department had confirmed the feasibility of providing an addition of 5 000 medium charging facilities in the existing car parks by end 2025 and had commenced site works at individual car parks. As at the end of March 2024, HA has provided EV chargers at about 650 hourly and about 1 680 monthly PC parking spaces in about 100 car parks.

21. In March 2024, Members approved the arrangements for implementing fee-paying charging services in HA’s hourly parking spaces in support of the Government’s initiative to marketise EV charging services, so as to promote sustainable development of EV charging services in the long run. Starting from 1 April 2024, HA had imposed \$20 hourly EV charging fees for medium chargers installed at its hourly parking. HA will review the hourly charge annually and the approved charges will take effect from January 1 of the following year.

(b) Key Performance Indicators

22. There were four KPIs under the PoA to facilitate evaluation of the commercial operations in 2023/24, and their year-end position is summarised at ----- **Annex B.**

FINANCIAL PERFORMANCE

23. The Commercial Operations generated a provisional surplus of \$1,055 million for the year ended 31 March 2024, as compared to the Revised Budget surplus of \$865 million.

24. The total income of \$3,250 million was higher than the Revised Budget of \$3,145 million by \$105 million, mainly due to higher rental income in commercial complex. The total expenditure of \$2,158 million was lower than the Revised Budget of \$2,239 million by \$81 million, mainly due to the lower than budgeted personal emoluments and other recurrent expenditure. The Commercial Operating Account is at **Annex C**.

INFORMATION

25. This paper is issued for Members' information.

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**Programme of Activities 2023/24
Progress Report ending 31 March 2024**

Business Objectives					
Key Activity (KA)	Target		Progress as at 31 March 2024		
	Performance Goal (PG)	Time Goal			
Objective (1) Enhancing the potential of HA's commercial properties through exploring asset enhancement opportunities and optimising usage					
KA (1) To explore opportunities to enhance HA's commercial properties and optimise the use of resources	PG01	To review and roll forward the asset enhancement programme for HA's commercial properties portfolio	On-going	<ul style="list-style-type: none"> Feasibility studies and Strengths Weaknesses Opportunities Threats analyses were carried out for identifying asset enhancement opportunities. Lung Poon Court and Cheung Sha Wan Estate were earmarked for further studies under the five year rolling programme for asset enhancement. 	On-going
	PG02	To monitor the progress of feasibility studies and improvement works for projects earmarked under the asset enhancement programme	On-going	<ul style="list-style-type: none"> The improvement works for Yau Lai Shopping Centre was completed while works for Mei Tin Shopping Centres, Upper Ngau Tau Kok, Shui Pin Wai, Choi Wan (II), Shek Yam (East) and Tung Wui Estate were in good progress. 	On-going
	PG03	To review the effectiveness upon completion of major asset enhancement projects	On-going	<ul style="list-style-type: none"> We reported vide Paper No. CPC 5/2023 the effectiveness of asset enhancement projects completed in 2022. Post-implementation review would be conducted to assess the effectiveness of other major enhancement works upon completion. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
	PG04 To maximise the usage of car parking facilities, and seek opportunities to create additional parking spaces to meet increasing parking demand	On-going	<ul style="list-style-type: none"> We continued to implement various measures to maximise the usage of HA's car parking facilities, and to seek opportunities for further creation of additional car parking spaces subject to demand, technical feasibility and necessary approvals. As at end of March 2024, 327 additional parking spaces had been created in 39 estates. 	On-going
	PG05 To explore ways to optimise use of non-domestic premises, including conversion to domestic or other uses	On-going	<ul style="list-style-type: none"> We continued to keep in view the utilisation of storerooms and other spaces and explore feasibility for conversion of suitable spaces to domestic flats as well as welfare, retail or other non-domestic uses when opportunities arise. We enhanced the promotion and dissemination of information for the letting of vacant storerooms in public rental housing blocks in order to improve their occupancy rate. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
Objective (2) Enhancing HA's commercial properties				
KA (2) To enhance the leasing, promotion and management strategies for HA's new and existing commercial facilities	PG06 To plan ahead and arrange early marketing and leasing of new retail facilities to tie in with residents' intake	On-going	<ul style="list-style-type: none"> We continued to plan the letting arrangements well in advance for new retail premises to tie in with residents' intake and address their basic needs. 	On-going
	PG07 To adopt proactive and flexible marketing and leasing strategies, so as to widen the choice of goods and services for customers in line with market trend	On-going	<ul style="list-style-type: none"> The proactive and flexible marketing and leasing strategies were continuously adopted to widen the choice of goods and services for customer in line with market trend. 	On-going
	PG08 To arrange promotional activities and seasonal decorations for HA's retail facilities with a view to enhancing shopping ambience and attracting footfall	On-going	<ul style="list-style-type: none"> A total of some 1 972 hours in 32 major shopping centres, whilst decoration packages for 42 shopping centres and major retail facilities were provided during major festivals. 	On-going
	PG09 To provide venues for NGOs, institutions and Government departments for holding events/activities for charity, civic, cultural, community building and environmental protection purposes	On-going	<ul style="list-style-type: none"> In collaboration with various NGOs/Institutions/Government departments, 41 civic, education and community building activity involving 282 hours was held in HA's shopping centres as affected by the severe epidemic situation. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
	PG10 To provide Wi-Fi service in HA’s major shopping centres	On-going	<ul style="list-style-type: none"> We continued to provide free Wi-Fi service to the public in HA’s shopping centres and major retail facilities. 	On-going
	PG11 To explore automation in the management of HA’s carpark portfolio with a view to facilitating stock management, applications and processing, formulation of strategies, etc.	On-going	<ul style="list-style-type: none"> The implementation of the new Car Park Management System and development of smart carpark solutions were on schedule. 	On-going
KA (3) To maintain Domain’s market positioning, attractiveness and competitiveness as a regional shopping mall	PG12 To adopt strategic planning in renewing tenancies with a view to enhancing tenants’ profile and trade mix of Domain	On-going	<ul style="list-style-type: none"> To adopt proactive approach, shop G30 was recovered and then let to a renowned Taiwanese restaurant namely “Teawood”. In addition, a preserved food, confectionery and groceries at shop 203 “DailyMart” was introduced. As such, the trade mix of Domain was further enhanced. All new shops were welcomed by shoppers. 	On-going
	PG13 To adopt proactive and flexible marketing and leasing strategies with a view to enhancing tenant and trade mix and providing more shopping choices in line with market trend	On-going	<ul style="list-style-type: none"> Kiosks, bazaar, road shows and festive trade fairs were arranged to widen the choice of products and services and create new and relaxing shopping experience to visitors and customers. Festival trade fairs such as “Hello Summer Trade Fair” and “Christmas Market” were welcomed by shoppers to increase footfall. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
	PG14 To arrange tailor-made promotional events and activities targeting young people and families with a view to enhancing Domain's attractiveness and competitiveness	On-going	<ul style="list-style-type: none"> • 29 special themed events were held and consumption stimulating programmes such as Domain Club bonus point rewards, gift redemption activities, lucky draws and stage performance were successfully launched to promote wider popularity, attracting footfall and boosting sales of Domain. • To enhance the attractiveness of Domain Club Scheme, Yau Lai Shopping Centre was covered in the scheme. • The Domain Club had successfully helped promote customer loyalty by offering redemption plan and arranging promotional activities. • Since the launch of Domain Club Mobile Application in August 2021, the number of members with electronic membership reached some 37 600. As at March 2024, Domain Club members had reached some 65 500. 	On-going
	PG15 To line up with mass media, renowned brands, Government departments, NGOs, charitable organisations and institutions, etc. and sponsor venues for holding entertainment and community events, so as to enhance Domain's publicity and HA's corporate image	On-going	<ul style="list-style-type: none"> • In collaboration with various NGOs/Institutions/Government departments, a total of 30 community events/activities such as Promotion of nature conservation, charity and blood donation activity were held in Domain. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
	PG16 To enhance facilities management for Domain so as to provide quality services for our tenants and customers	On-going	<ul style="list-style-type: none"> One indoor LED display and two outdoor LED displays were replaced. Moreover, an interactive directory and eight digital signages were installed. All ceiling hung signs were also replaced. The above asset enhancement would provide a fresh and quality experience to tenants and customers. On the other hand, installation of additional 28 medium EV chargers had been completed by March 2024. 	On-going
KA (4) To enhance the implementation of green measures in HA's commercial facilities	PG17 To promote energy saving in the operation of HA's commercial facilities	On-going	<ul style="list-style-type: none"> We continued to arrange shopping centres to join the Energy Saving Charter and the Charter on External Lighting. We also continued to participate in the "Hong Kong Green Shop Alliance" to promote sustainable green measures in tenants' daily operations. Promotional campaign titled "Plastic-Free" was launched in 11 HA's shopping centres, saving about 13 300 sets of plastic tableware. 	On-going
	PG18 To support Government in food waste collection and encourage tenants to participate in programmes for recycling/reduction of food waste	On-going	<ul style="list-style-type: none"> 19 HA's shopping centres/markets had joined Phases 1 and 2 of the Government's Food Waste Collection Pilot Scheme. Food waste generated in the participating shopping centres/markets would be separated at source, collected and transported to the Organic Resources Recovery Centre in Siu Ho Wan for recycling. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
			<ul style="list-style-type: none"> Tenants of restaurants, supermarkets and market stalls were encouraged to participate in food donation schemes as organised by various NGOs. 	
	<p>PG19 To collaborate with NGOs, Government departments and institutions in launching educational programmes and green practices in HA’s commercial facilities for environmental protection</p>	On-going	<ul style="list-style-type: none"> A promotional campaign to raise the awareness of commercial tenants and the public on reduced use of disposable plastic tableware was implemented in Domain and ten HA’s Shopping centres from July to September 2023. With the increasing of environmental awareness, saving of some 13 300 sets of plastic tableware is resulted. There were some educational activities held by “Hong Kong Council on Smoking and Health” to promote “Smoke-free” and “Tung Wah Group of Hospitals Yu Mak Yuen Integrated Services Centre” to disseminate the concept of Environmental Protection successfully held at HA’s shopping centres. 	On-going
	<p>PG20 To continue providing EV charging facilities in HA’s new carparks and expand the provision in existing carparks, in support of Government’s policy and long-term objectives</p>	On-going	<ul style="list-style-type: none"> We continued to provide EV charging facilities in the carparks of new public housing developments according to latest planning guidelines. For new public housing projects under planning and in early design stages, we will install medium chargers and its charging-enabling facilities instead of standard chargers. 	On-going

Business Objectives				
Key Activity (KA)	Target		Progress as at 31 March 2024	
	Performance Goal (PG)	Time Goal		
			<ul style="list-style-type: none"> • We continued to provide EV chargers at PC parking spaces in existing car parks subject to demand and technical feasibility. • As at end of March 2024, we had provided EV chargers at about 650 hourly and about 1 680 monthly PC parking spaces in about 100 car parks. 	

**Progress Report of Key Performance Indicators in
the 2023/24 Programme of Activities for Commercial Properties**

Key Performance Indicators		Targets for 2023/24	Position as at 31 March 2024
(a)	Vacancy rate for <ul style="list-style-type: none"> • retail premises (shops) • shopstalls and cooked food stalls • carparks • factory estates 	Below 2.5% Below 5.0% Below 5.0% Below 2.0%	3.2% ^{Note 1} 0.9% 1.7% 1.8%
(b)	Operating expenditure as a percentage of income (including depreciation and rates)	Below 60%	66.4% ^{Note 2}
(c)	Operating expenditure per square metre retail space per month (excluding depreciation and rates)	Below \$220	\$203.3
(d)	Average income per carpark space per month	\$2,000	\$2,338.2

Note 1: The vacancy rate for Retail Premises (Shops) was 3.2 % (2.96 % if excluding ward offices) against the KPI of below 2.5%. The higher vacancy rate was mainly due to the changing shopping habits of local residents with the growing popularity of online purchase and “going north” for consumption.

Note 2: The income has been reduced due to the rent concession measures.

HONG KONG HOUSING AUTHORITY
Commercial Operating Account
for the Year Ended 31 March 2024

	2023/24				
	2022/23	Provisional	Revised	Variance	
	Actual	(Note)	Budget	\$M	%
	\$M	\$M	\$M	(a)-(b)	(a-b)/(b)
		(a)	(b)		
INCOME					
Rental	2,611	3,074	2,979	95	3.2
Other income	166	176	166	10	6.0
TOTAL INCOME	2,777	3,250	3,145	105	3.3
EXPENDITURE					
Personal emoluments	399	404	440	(36)	-8.2
Government rent and rates	147	200	200	-	-
Maintenance and improvements	215	228	238	(10)	-4.2
Other recurrent expenditure	848	847	879	(32)	-3.6
Depreciation and amortisation	428	452	451	1	0.2
Share of corporate supervision and support services expenses	23	27	31	(4)	-12.9
TOTAL EXPENDITURE	2,060	2,158	2,239	(81)	-3.6
OPERATING SURPLUS BEFORE EXCEPTIONAL ITEMS	717	1,092	906	186	20.5
Less: Exceptional items					
- Government non-reimbursable items	39	37	41	(4)	-9.8
OPERATING SURPLUS AFTER EXCEPTIONAL ITEMS	678	1,055	865	190	22.0

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2023/24 annual accounts.

HONG KONG HOUSING AUTHORITY
Commercial Operating Account
Capital Expenditure
for the Year Ended 31 March 2024

	2023/24				
	2022/23	Provisional	Revised	Variance	
	Actual	(Note)	Budget	\$M	%
	\$M	\$M	\$M	(a)-(b)	(a-b)/(b)
	(a)	(b)	(b)		(a-b)/(b)
Improvement works	55	67	72	(5)	-6.9
Computer systems and equipment	19	19	19	-	-
TOTAL	74	86	91	(5)	-5.5

Note

These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2023/24 annual accounts.